

11. Transfers of major conventional weapons

BJÖRN HAGELIN, PIETER D. WEZEMAN and
SIEMON T. WEZEMAN

I. Introduction

Since annual variations in global transfers of major conventional weapons are often the result of a few large deliveries and tend to overemphasize peaks and troughs, a better understanding of the main trends can be achieved by studying average values over several years.¹ The SIPRI arms transfers project identifies such trends using the SIPRI trend indicator.²

The five-year moving average curve in figure 11.1 reflects three distinct phases since 1984: (a) the last years of the cold war (1984–88) during which the level of arms transfers was relatively high; (b) a transitional period of steep decline between 1989 and 1994; and (c) from 1995 to the present day when the level of arms transfers has been fairly stable and much lower than in the late 1980s. The level in 1998 (\$21.9 billion at constant 1990 prices) was not much higher than that in 1994 (\$20 billion), the lowest level since 1970.³

Section II of this chapter surveys the dominant trends among the major suppliers and recipients of major conventional weapons and presents some of the developments in arms transfers policy in 1998. The global reduction in arms transfers in 1998 is primarily the result of procurement decisions made several years ago, rather than an effect of the financial crisis which began in Asia in 1997. There were only minor changes in the ranking of the top major suppliers in 1994–98 compared with 1993–97. On the recipient side, Asia and the Middle East showed reductions in their imports of 27 and 18 per cent respectively, that is, much smaller than the reductions of around 50 per cent in the Americas and Africa. Western Europe was the only region with an increase in imports between 1997 and 1998.

Greece and Turkey are both major arms recipients and both are pursuing military modernization programmes. The decision by Cyprus to acquire a

¹ Five-year moving averages are calculated as a more stable measure of the trend in arms transfers than the often erratic year-to-year figures.

² The SIPRI data on arms transfers refer to actual deliveries of major conventional weapons. To permit comparison between the data on such deliveries of different weapons and identification of general trends, SIPRI uses a *trend-indicator value*. The SIPRI values are therefore only an indicator of the volume of international arms transfers and not of the actual financial values of such transfers. Thus they are not comparable to economic statistics such as gross domestic product or export/import figures. The method used in calculating the trend-indicator value is described in appendix 11C. A more extensive description of the methodology used, including a list of sources, is available on the SIPRI Internet web-site URL <<http://www.sipri.se/projects/armstrade/atmethods.html>>.

³ The figures for years before 1998 differ from those given in previous SIPRI Yearbooks. The SIPRI database on arms transfers is constantly updated as new data become available, and the trend-indicator values are revised each year. For this reason it is advisable for readers who require time-series data for periods before the years covered in this Yearbook to contact SIPRI.

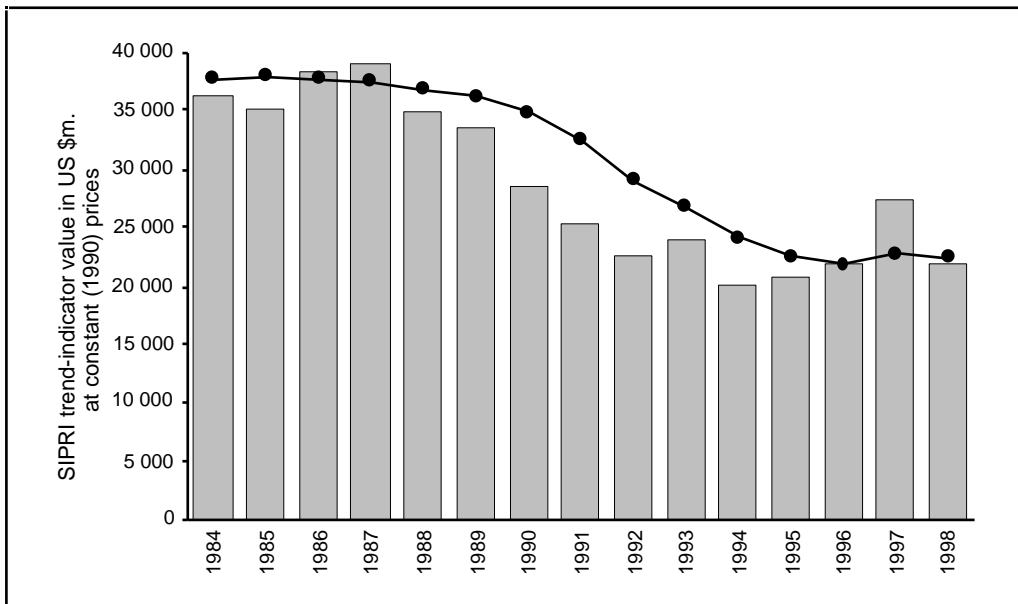


Figure 11.1. The trend in transfers of major conventional weapons, 1984–98

Note: The histogram shows annual totals and the curve denotes the five-year moving average. Five-year averages are plotted at the last year of each five-year period.

long-range air defence system from Russia resulted in a political crisis in the relations between these countries in 1998, putting a spotlight on tensions in this region. The dynamics of this crisis are described in section III.

International arms embargoes in force at any time since 1994 and a general discussion on the effectiveness of arms embargoes are presented in section IV.

An encouraging development in 1998 was the adoption by European Union (EU) member states of a common Code of Conduct for Arms Exports. Although the code is basically a restatement of the Common Criteria of 1991 and 1992, it provides a more institutionalized framework for cooperation. Section V describes the aims and implications of the code.

Section VI examines the transparency of arms transfer data in government publications and of the reports to the UN Register of Conventional Arms (UNROCA) for the calendar year 1997. Although there are still few countries which regularly make available detailed information at the national level about their overall arms exports, the level of detail has improved in recent years. In 1998 the UNROCA included data on holdings of weapons and procurement from national production for the first time.

SIPRI has conducted research on the transfers of major conventional weapons since the 1960s. During the 1990s, in particular, another aspect of the arms trade has received increasing attention on the international political agenda, namely the trade in light weapons. Appendix 11E summarizes efforts to control the trade in such weapons.

II. Main developments in 1998

The suppliers of major conventional weapons

The USA remains the largest supplier of major conventional weapons, a position which it has held since 1991. In 1998 it accounted for 56 per cent of global arms transfers. In 1994–98 Taiwan, Saudi Arabia and Egypt were the main recipients of US conventional weapons (see table 11.2). Existing orders indicate that the USA will remain the major supplier for at least the next 10 years,⁴ even when compared to all the *EU* member states combined. In 1998 the combined deliveries of major arms from all EU member states to non-member states were less than 50 per cent of total US transfers (see appendix 11.A).

France, whose arms exports have increased steadily since 1994, accounted for 17 per cent of global major arms deliveries in 1998 and passed the UK in the ranking for the period 1994–98. French deliveries to Taiwan and the United Arab Emirates (UAE) in 1998 remained at approximately the same level as in 1997. While the last items of two major programmes for frigates and combat aircraft were delivered to Taiwan in 1998, major new orders were received from the UAE. Together with outstanding deliveries to Saudi Arabia and Pakistan this means that France is likely to retain a high position for at least the next few years.

After increasing levels between 1994 and 1997, deliveries by *the UK* decreased by almost 80 per cent between 1997 and 1998, giving it a mere 3 per cent share of global major arms transfers in 1998. The main reason is the drastic drop in orders for combat aircraft, which have made up the bulk of the UK's arms exports in recent years. In 1998 the last Tornado IDS aircraft were delivered to Saudi Arabia, its major recipient, in accordance with a contract from 1993.

Russia retained second position in 1994–98 with India and China remaining its largest recipients. However, its level of arms transfers has declined since 1996 and fell by almost 60 per cent between 1997 and 1998.⁵ Although existing orders—mainly ships and combat aircraft for India and China—will serve to increase the level of Russian arms transfers in the coming years, Russian sources have admitted for the first time that without major new investments in military technologies the country's military exports are likely to diminish even further.⁶ In the case of the Su-30MKI combat aircraft for India, a major part of

⁴ The US Department of Defense reportedly signed deals for \$8.5 billion in new arms transfers with just over 100 countries in fiscal year 1998. Ruppe, D., 'Pentagon inked \$8.5 billion in fiscal-1998 arms-export deals', *Defense Week*, 16 Nov. 1998.

⁵ An investigation into the activities of the state export agency Rosvooruzheniye revealed a major discrepancy between the official and the real figures for Russian arms sales. Novichkov, N., 'Russian arms sales are inflated, says audit', *Jane's Defence Weekly*, 7 Oct. 1998, p. 31.

⁶ Novichkov, N., 'Russia may exhaust potential in technologies trade in 5 yrs', *Jane's Defence Weekly*, 18 Nov. 1998, p. 22. See also Wezeman, S. T. and Wezeman, P. D., 'Transfers of major conventional weapons', *SIPRI Yearbook 1998: Armaments, Disarmament and International Security* (Oxford University Press, Oxford: 1998), p. 296.

Table 11.1. The 31 leading suppliers of major conventional weapons, 1994–98

The list includes countries/non-state actors with aggregate exports of \$100 million or more for 1994–98. The countries are ranked according to the 1994–98 aggregate exports. Figures are trend-indicator values expressed in US \$m. at constant (1990) prices.

Suppliers and rank								
1994–98	1993–97 ^a	1994	1995	1996	1997	1998	1994–98	
1	USA	1	9 844	9 580	9 712	12 404	12 342	53 882
2	Russia	2	1 155	3 271	3 602	2 956	1 276	12 260
3	France	5	756	806	1 924	3 284	3 815	10 585
4	UK	3	1 494	1 708	1 800	3 238	673	8 913
5	Germany	4	2 637	1 425	1 399	686	1 064	7 211
6	China	6	731	849	751	338	157	2 826
7	Netherlands	7	495	378	414	551	506	2 344
8	Italy	8	306	330	366	442	298	1 742
9	Ukraine	10	189	192	195	516	449	1 541
10	Canada	9	365	436	239	137	217	1 394
11	Spain	11	275	111	99	637	221	1 343
12	Israel	12	115	206	257	292	147	1 017
13	Czech Rep.	13	378	188	132	30	16	744
14	Belarus	14	8	24	129	516	16	693
15	Belgium	16	20	296	144	89	51	600
16	Sweden	17	63	180	155	51	136	585
17	Moldova	15	165	–	–	392	–	557
18	Poland	20	131	184	65	20	1	401
19	Australia	19	24	22	15	318	3	382
20	Switzerland	18	70	75	122	62	35	364
21	Norway	21	186	54	9	56	2	307
22	Denmark	22	230	–	3	–	–	233
23	Slovakia	23	28	85	48	44	–	205
24	Uzbekistan	63	–	–	–	–	170	170
25	Brazil	25	38	40	28	28	–	134
26	Singapore	31	11	2	–	75	41	129
27	Korea, North	24	48	48	22	–	–	118
28	Indonesia	33	25	38	–	–	52	115
29	Qatar	26	51	15	–	44	–	110
30	Korea, South	29	8	25	20	27	30	110
31	Greece	35	–	–	30	52	18	100
	Others ^b		226	298	303	131	209	1 167
	Total		20 073	20 861	21 984	27 416	21 944	112 278

^a The rank order for suppliers in 1993–97 differs from that published in the *SIPRI Yearbook 1998* (p. 294) because of the subsequent revision of figures for these years.

^b Includes at least 34 countries (some identified imports from unidentified suppliers) with aggregate 1994–98 exports of less than \$100 million.

Note: The SIPRI data on arms transfers refer to actual deliveries of major conventional weapons. To permit comparison between the data on such deliveries of different weapons and identification of general trends, SIPRI uses a *trend-indicator value*. The SIPRI values are therefore only an indicator of the volume of international arms transfers and not of the actual financial values of such transfers. Thus they are not comparable to economic statistics such as gross domestic product or export/import figures. Figures may not add up because of rounding.

Source: SIPRI arms transfers database.

the development costs has been paid for by India.⁷

Investments in future military technology also constitute a problem for countries with a traditionally strong defence industry such as China, the Czech Republic, Poland and Slovakia. All these suppliers show unstable or decreasing trends in their levels of arms transfers over the past five years (table 11.1).⁸ Despite its mainly increasing export trend in the past five years, Ukraine will face the same problem. Suppliers which cannot sustain and invest in new military technologies will find it difficult to remain on the market.

The recipients of major conventional weapons

Since 1995 Asia has had the largest regional share of global arms imports, accounting for over 40 per cent (see appendix 11A, table 11A.1). In 1998 countries in *North-East Asia*—primarily Japan, South Korea and Taiwan—received 74 per cent of Asian imports. Taiwan passed Saudi Arabia as the number one recipient for the past five-year period (table 11.3). The relatively high levels of imports in North-East Asia were in contrast to greatly reduced import levels between 1997 and 1998 mainly in *South-East Asia*, for example, in Malaysia and Thailand (over 90 per cent), and Indonesia (over 50 per cent). In these and some other countries the financial crisis may explain part of the reductions.⁹ However, although South-East Asia's global share dropped from 10 to 6 per cent between 1997 and 1998, the reduction is not significant in global terms. This puts into question suggestions that the crisis may have profound consequences on the global trend. *South Asia's* global share of arms imports fell from 7 to 5 per cent between 1997 and 1998. This reflects a drop in India's imports by more than 60 per cent. However, existing Indian orders indicate that this decline will only be temporary (see appendix 11B). Despite its ambition to increase self-reliance in arms procurement to 70 per cent by 2005,¹⁰ India is likely to remain dependent on foreign support for complete systems and critical technologies for the foreseeable future.

At the same time military tensions remain in Asia. Continued anxiety over existing or possible nuclear programmes in India, Pakistan and North Korea may stimulate demands for delivery systems such as missiles and combat aircraft, which in turn could influence procurement decisions for counter-systems in other countries. This was illustrated by debates in Japan, South Korea and

⁷ Arnett, E., 'Military research and development', *SIPRI Yearbook 1998* (note 6), p. 272.

⁸ Russia and France may be willing to strengthen political-military relations with China in order to secure a military market but also to counterbalance the position of the USA. 'France and India contemplate strategic alliance', *Defence Systems Daily*, Global Intelligence Update, 15 Jan. 1999, URL <<http://defence-data.com/current/page3588.htm>>; and 'China-Russia relations at the turn of the century', *Beijing Review*, 14-20 Dec. 1998, pp. 6-8.

⁹ Simon, S. W., *The Economic Crisis and ASEAN States' Security* (Strategic Studies Institute, US Army War College: Carlisle, Pa., Oct. 1998).

¹⁰ 'India reviews indigenous defence production', *Defence Systems Daily*, 11 Dec. 1998, URL <<http://defence-data.com/current/page3403.htm>>; and Singh, R. P., 'India', ed. R. P. Singh, *SIPRI, Arms Procurement Decision Making*, vol. 1 (Oxford University Press: Oxford, 1998), p. 49.

Table 11.2. The leading recipients of major conventional weapons from the six major suppliers, 1994–98

The list includes countries/non-state actors with aggregate imports of \$500 million or more for 1994–98 from at least one of the major suppliers. Figures are trend-indicator values expressed in US \$m. at constant (1990) prices.

Recipients	Suppliers							Total
	USA	Russia	France	UK	Germany	China	Others	
Africa	233	653	320	52	10	109	871	2 248
Asia	19 520	7 487	5 878	2 327	1 917	2 009	5 177	44 315
China	–	2 116	110	10	–	..	356	2 592
India	–	2 745	95	223	224	–	862	4 149
Indonesia	6	–	35	510	1 115	–	47	1 713
Japan	3 965	–	–	66	10	–	52	4 093
Kazakhstan	–	547	–	–	–	–	–	547
Korea, South	4 098	196	170	1	540	–	166	5 171
Malaysia	532	695	40	992	–	–	376	2 635
Myanmar	–	86	–	–	–	604	–	690
Pakistan	371	86	140	355	–	528	1 136	2 616
Singapore	1 022	35	95	20	–	–	593	1 765
Taiwan	8 098	–	5 154	–	–	–	59	13 311
Thailand	1 277	–	40	8	22	746	1 039	3 132
Viet Nam	–	724	–	–	–	–	63	787
Others	151	257	–	142	6	131	428	1 115
Americas	1 801	499	342	1 816	649	–	3 953	9 060
Brazil	192	12	64	848	256	–	224	1 596
Canada	553	–	72	76	39	–	152	892
USA	..	–	30	779	4	–	1 707	2 520
Others	1 056	487	176	113	350	–	1 870	4 052
Europe	14 167	2 458	1 540	699	4 488	19	3 312	26 683
Germany	860	–	27	–	..	–	99	986
Greece	2 371	542	53	36	1 138	–	614	4 754
Finland	1 580	225	80	45	77	–	18	2 025
Italy	694	–	5	368	48	–	–	1 115
Spain	1 541	–	185	40	150	–	198	2 114
Sweden	34	–	42	–	618	–	34	728
Switzerland	1 255	–	–	5	–	–	–	1 260
Turkey	3 459	147	420	70	2 018	–	501	6 615
Others	2 372	1 544	728	135	439	19	1 848	7 085
Middle East	17 631	1 165	2 493	4 012	19	690	2 714	28 724
Egypt	5 287	148	–	–	10	–	437	5 882
Iran	–	271	–	–	–	578	327	1 176
Israel	2 391	–	39	–	–	–	–	2 430
Kuwait	1 834	198	214	706	–	–	55	3 007
Oman	53	–	131	634	–	–	80	898
Qatar	–	–	686	307	–	–	36	1 029
Saudi Arabia	6 867	–	36	2 016	–	–	829	9 748
UAE	425	539	1 369	348	4	–	582	3 267
Others	774	9	18	–	5	112	368	1 286
Oceania	531	–	11	5	90	–	564	1 201
UN ^a	–	–	–	–	37	–	11	48
Total	53 883	12 263	10 584	8 911	7 210	2 827	16 602	112 278

^aThe UN is included as a non-state actor and not as a combination of all member states.

Note: The SIPRI data on arms transfers refer to actual deliveries of major conventional weapons. To permit comparison between the data on such deliveries of different weapons and identification of general trends, SIPRI uses a *trend-indicator value*. The SIPRI values are therefore only an indicator of the volume of international arms transfers and not of the actual financial values of such transfers. Thus they are not comparable to economic statistics such as gross domestic product or export/import figures. Figures may not add up because of rounding.

Source: SIPRI arms transfers database.

Taiwan about ballistic missile defence systems in reaction to North Korean and Chinese ballistic missile tests.¹¹ Reports that China has modernized its missile arsenal which is targeted at Taiwan may further stimulate arms procurement in the region.¹²

Europe accounted for approximately 28 per cent of global arms imports in 1998. Countries in Western Europe accounted for 98 per cent of the European share. With the exception of Turkey and Greece, which are discussed in section III, few countries placed major import orders. No decisions were taken in 1998 to go ahead with previously discussed major procurement orders in Central and East European countries, mainly because of a lack of funds. The Czech Republic, Hungary and Poland were anticipating NATO membership in 1999 and the possible consequences with regard to harmonization of their arms inventories.

Since 1994, the *Middle East* has held roughly the same average share of the global market as Europe. In 1998 its share was 24 per cent. While Saudi Arabia lost its leading position to Taiwan on the list of importers in 1994–98, the UAE and Israel moved up and Egypt retained its fourth position. All these recipients showed reduced levels of imports in 1998 with the exception of Israel, which recorded an enormous increase compared with 1997. This is mainly the result of the delivery of 16 F-15I fighter aircraft from the USA.

Africa and Latin America together account for less than 4 per cent of global arms imports. *Africa's* share is less than 1 per cent.¹³ In 1998 Sub-Saharan Africa accounted for virtually all arms imports to Africa. During 1998 orders for major weapons were placed by both Eritrea and Ethiopia, including those for advanced combat aircraft (MiG-29s and Su-27s). South Africa also made some major arms procurement decisions but these are not likely to have an effect on Africa's ranking in the foreseeable future.¹⁴ There has been no

¹¹ Elizabeth Becker claims that the sensitivities are so acute that the US Administration has twice delayed sending Congress a classified report on a proposed missile system to defend Japan, South Korea, and Taiwan and the US troops stationed in the region. Becker, E., 'Missile defense: US weighs risk to Chinese ties', *International Herald Tribune*, 23–24 Jan. 1999, p. 2.

¹² 'Pentagon denies that China increased missiles aimed at Taiwan', *International Herald Tribune*, 13–14 Feb. 1999, p. 3.

¹³ For an account of arms transfers to African countries in conflict see Wezeman and Wezeman (note 6), pp. 302–305.

¹⁴ South Africa's planned acquisitions will be spread out over several years between 2002 and 2014. 'Acquisition timescales set', *Jane's Defence Weekly*, 16 Dec. 1998, p. 15; and 'South Africa announces \$5.8 billion arms procurement deal', *Defence Systems Daily*, Defence & Aerospace News, 19 Nov. 1998, URL <<http://defence-data.com/current/page3271.htm>>.

Table 11.3. The 72 leading recipients of major conventional weapons, 1994–98

The list includes countries/non-state actors with aggregate imports of \$100 million or more for 1994–98. The countries are ranked according to the 1994–98 aggregate imports. Figures are trend-indicator values expressed in US \$m. at constant (1990) prices.

Recipients and rank order								
1994–98		1993–97 ^a	1994	1995	1996	1997	1998	1994–98
1	Taiwan	2	731	1 162	1 451	5 311	4 656	13 311
2	Saudi Arabia	1	1 298	1 249	1 961	3 292	1 948	9 748
3	Turkey	3	1 386	1 327	1 132	1 394	1 376	6 615
4	Egypt	4	1 926	1 645	940	931	440	5 882
5	Korea, South	5	642	1 553	1 589	731	656	5 171
6	Greece	7	1 172	943	241	832	1 566	4 754
7	India	8	497	932	988	1 266	466	4 149
8	Japan	6	678	948	624	662	1 181	4 093
9	UAE	11	629	442	600	840	756	3 267
10	Thailand	12	758	628	555	1 128	63	3 132
11	Kuwait	10	49	974	1 338	418	228	3 007
12	Malaysia	15	453	1 143	200	780	59	2 635
13	Pakistan	14	683	242	552	614	525	2 616
14	China	9	112	427	1 115	834	104	2 592
15	USA	13	711	459	431	696	223	2 520
16	Israel	20	796	229	73	46	1 285	2 429
17	Spain	18	646	395	441	230	402	2 114
18	Finland	19	196	162	581	439	647	2 025
19	Singapore	26	187	232	538	123	685	1 765
20	Indonesia	21	600	359	547	141	66	1 713
21	Brazil	23	236	236	491	437	196	1 596
22	Switzerland	31	114	106	199	400	441	1 260
23	Chile	25	151	537	223	194	103	1 208
24	Iran	16	348	243	537	24	24	1 176
25	Italy	24	131	187	241	552	4	1 115
26	Qatar	36	14	15	58	553	389	1 029
27	Germany	17	596	130	110	18	132	986
28	Oman	30	201	175	347	158	17	898
29	Canada	27	432	177	164	86	33	892
30	Peru	29	142	97	182	469	–	890
31	UK	44	38	93	216	88	362	797
32	Viet Nam	37	–	277	246	96	168	787
33	Australia	28	302	71	149	24	189	735
34	Mexico	40	65	65	63	230	306	729
35	Sweden	35	252	84	47	258	87	728
36	Norway	34	57	102	200	186	170	715
37	Netherlands	38	140	47	187	99	242	715
38	Myanmar	32	–	223	93	243	131	690
39	Kazakhstan	39	–	162	219	166	–	547
40	Algeria	41	161	332	5	29	–	527
41	Argentina	47	148	85	44	98	110	485
42	Armenia	45	310	51	106	–	–	467
43	Portugal	33	431	15	3	14	–	463
44	Denmark	49	66	129	53	74	141	463
45	Austria	54	56	37	14	169	177	453

Recipients and rank order							
1994–98	1993–97	1994	1995	1996	1997	1998	1994–98
46 France	55	3	41	30	160	210	444
47 Colombia	50	39	87	39	160	119	444
48 New Zealand	46	16	4	18	349	17	404
49 Morocco	43	129	40	89	143	–	401
50 Cyprus	48	61	29	177	110	18	395
51 Bahrain	51	14	26	225	74	9	348
52 Jordan	64	–	24	43	104	164	335
53 Hungary	22	4	67	125	72	58	326
54 Sri Lanka	50	56	60	158	42	40	356
55 Slovakia	41	35	252	35	–	–	322
56 Poland	58	6	154	114	–	–	274
57 Philippines	56	109	32	30	54	47	272
58 Bangladesh	57	89	126	4	24	–	243
59 Yemen/ Southern rebels ^b	62	196	–	–	–	–	196
60 Angola	63	96	1	10	3	84	194
61 Croatia	60	57	86	2	37	–	182
62 Tunisia	64	21	58	60	40	1	180
63 Belgium	59	64	28	2	34	34	162
64 Bulgaria	65	1	–	51	77	16	145
66 Yemen	67	–	142	–	–	–	142
67 Syria	53	63	43	21	–	–	127
68 Lebanon	66	13	59	27	6	17	122
69 Eritrea	75	16	1	30	48	27	122
70 Romania	73	43	1	35	12	20	111
71 Cambodia	72	64	–	34	6	4	108
72 South Africa	68	19	38	51	20	–	128
Others ^c		334	342	398	512	241	1 827
Total		20 073	20 861	21 984	27 416	21 944	112 278

^a The rank order for recipients in 1993–97 differs from that published in the *SIPRI Yearbook 1998* (pp. 300–301) because of the subsequent revision of figures for these years.

^b Southern rebels refers to those forces in Yemen which, in 1994, tried to re-establish an independent South Yemen.

^c Includes 65 countries and 6 non-state actors (the UN, the Palestinian Autonomous Authority and 4 rebel groups) with aggregate 1994–98 imports of less than \$100 million.

Note: The SIPRI data on arms transfers refer to actual deliveries of major conventional weapons. To permit comparison between the data on such deliveries of different weapons and identification of general trends, SIPRI uses a *trend-indicator value*. The SIPRI values are therefore only an indicator of the volume of international arms transfers and not of the actual financial values of such transfers. Thus they are not comparable to economic statistics such as gross domestic product or export/import figures. Figures may not add up because of rounding.

Source: SIPRI arms transfers database.

regional arms ‘surge’ in *Latin America* after the 1997 relaxation of President Jimmy Carter’s restrictive US export policy. Of the deliveries made in 1998, most were of surplus *matériel* and orders for new arms remained few. In late 1998 Peru decided to suspend military orders following a peace agreement in

October with Ecuador,¹⁵ and Chile postponed its procurement of fighter aircraft. The financial crisis in Brazil, a major recipient in the region, will delay major orders by this country.

Developments in arms transfer policy in 1998

Although the post-cold war trend of declining arms production has come to a halt,¹⁶ many defence industries, supported by the respective governments, are still seeking ways to survive the effects of cuts in military spending and reduced domestic demand for military equipment. One way is to share costs and exchange technology through military industrial cooperation, which is, in itself, a form of military transfer. A regional initiative by six European governments to facilitate the restructuring of the European defence industry by supporting the creation of a Transnational Defence Company (TDC) is the July 1998 Letter of Intent.¹⁷ Although not legally binding, the Letter of Intent stipulates that the participating countries will accept mutual interdependence and seek to simplify the supply of military equipment to each other not only in peacetime but also in times of crisis and war.

Another result of reduced domestic demand for military equipment is an increased pressure to export. Against the background of tough global and regional competition, industrial and political ambitions to finance the development of new weapons and certain arms production capacities by way of arms exports¹⁸ may lead to different national interpretations of export limitations and technology transfers to the possible detriment of arms control.¹⁹ This was illustrated in 1998 by the differing national reactions to India's and Pakistan's nuclear tests. While the USA imposed sanctions on both countries, its example was not followed by other major suppliers. Another case was the attempt by the US Administration to prevent the British Government from

¹⁵ 'Peace accord leaves Peru's procurement plans uncertain', *World Aerospace & Defense Intelligence*, 20 Nov. 1998, p. 8.

¹⁶ See chapter 10 in this volume.

¹⁷ *Measures to Facilitate the Restructuring of European Defence Industry*, Letter of Intent between the defence ministers of France, Germany, Italy, Spain, Sweden and the United Kingdom, London, 6 July 1998. See also chapter 10, section IV in this volume.

¹⁸ It was reported in late 1998 that the US Defense Security Cooperation Agency at the Department of Defense is strengthening its arms export adviser organizations in countries previously closed to US defence personnel, such as the former Soviet Union and South Africa. Ruppe, D., 'US arms advisors chase new markets', *Defense Week*, 2 Nov. 1998, URL <<http://www.kingpublishing.com/indx-df.html>>; and 'Aerospace in Central and Eastern Europe', *Jane's Defence Industry*, vol. 15, no. 6 (Oct. 1998), p. 4. In an attempt to encourage potential buyers to 'buy British', the members of the National Military Industries Council (comprising the major defence companies and the Ministry of Defence) in 1998 joined together to develop a Customer Support Code of Practice. British Ministry of Defence, Press Release, *New Code Puts UK Defence Industry Support First in the World*, URL <http://www.mod.uk/news/prs/222_98.htm>, 7 Sep. 1998. According to the *MOD Performance Report 1997/98* (The Stationery Office: London, 1998), p. 33, British defence export orders increased in 1997/98 by around 10%.

¹⁹ For fear of putting major arms export deals at risk, both politicians and suppliers may oppose the extension, creation of all-inclusive, or even implementation of national arms embargoes or sanctions. Part of the dilemma is reflected in Helms, J., 'What sanctions epidemic?', *Foreign Affairs*, vol. 78, no. 1 (Jan./Feb. 1999), pp. 2-8.

approving the sale of the Black Shahine air-to-ground missile to the UAE,²⁰ arguing that its range exceeded the 300 km stipulated in the Missile Technology Control Regime (MTCR). The UK rejected this argument and the deal was approved in late 1998.

Intensified competition has also led to an increasing tendency among suppliers to agree to high compensations to offset the buyer's costs. This is illustrated, for instance, in the negotiations of contracts for the modernization of the South African defence forces. South Africa's aim is that the estimated 30 billion rand (\$5 billion) cost of acquiring corvettes, submarines, helicopters, jet trainers and combat aircraft during the next 15 years will be compensated by direct investments, exports and local sales worth 110 billion rand (\$18 billion) from the bidders over the next 17 years and the creation of 65 000 jobs over the next 7 years.²¹ The willingness of suppliers to agree to investments even before deals have been concluded and sometimes totalling more than the cost of a purchase is likely to mean that anticipated economic and technological benefits will become an increasingly important consideration for the recipients. Financial arrangements may also mean that some of the economic risks are shifted from the buyer to the supplier. In 1998, for example, it emerged that British taxpayers would have to cover the costs of Hawk fighter/trainer aircraft to Indonesia after the Indonesian Government admitted it could not keep up payments on debts endorsed by the British Government.²²

III. Arms transfer dynamics and the Cyprus crisis

In 1998 the planned delivery of a Russian air defence system to Cyprus became the centre of a new crisis in the relations between Cyprus and Greece on one side and Turkey on the other.²³ The deal is interesting because it spotlights arms transfers to two of the world's top arms importers—Turkey and Greece. It also shows how an arms transfer deal which is not very large or offensive in nature can increase tension to a level at which the use of force is considered. The wealth of information available on this deal makes it possible to use it as an illustration of some of the main elements of arms transfer dynamics, including supplier competition and the use of arms transfers as an instrument of foreign policy.

²⁰ Barrie, D. and Opall-Rome, B., 'Britain will allow UAE Black Shahine sale', *Defence News*, 26 Oct.–1 Nov. 1998, p. 3.

²¹ Batchelor, P., 'Guns or butter? The SANDF's R30 billion weapons procurement package', *NGO Matters*, vol. 3, no. 11 (Nov. 1998); Roos, J. G., 'Beyond South Africa's arms deal', *Armed Forces Journal International*, Feb. 1999, p. 24; and Engelbrecht, L., 'South African arms negotiation team starts work', *Defence Systems Daily*, URL <<http://defence-data.com/current/page 3568.htm>>.

²² Amrams, F., 'Britain to meet £25m jets bill', *The Independent*, 26 Sep. 1998, p. 2.

²³ Long-term tensions between Greece and Turkey centre on the division since 1974 of Cyprus into a Greek Cypriot and a Turkish Cypriot area and on territorial claims in the Aegean Sea. Settlement talks have been held for the reunification of the island, so far without success. Bahcheli, T., Couloumbis, T. A. and Carley, P., *Greek–Turkish Relations and US Foreign Policy: Cyprus, the Aegean and Regional Stability*, Peaceworks, no. 17 (United States Institute of Peace: Washington, DC, Aug. 1997).

Table 11.4. Suppliers of major conventional weapons to Cyprus, Greece and Turkey, 1994–98

Figures are trend-indicator values expressed in US \$m. at constant (1990) prices.

Supplier	Cyprus	Greece	Turkey
Austria	–	45	–
Canada	5	–	–
France	61	53	420
Greece	100	–	–
Germany	–	1 220	1 715
Italy	–	7	95
Netherlands	–	460	16
Norway	–	102	–
Russia	229	542	147
UK	–	36	51
USA	–	2 371	3 400
Total	395	4 837	6 222

Note: The SIPRI data on arms transfers refer to actual deliveries of major conventional weapons. To permit comparison between the data on such deliveries of different weapons and identification of general trends, SIPRI uses a *trend-indicator value*. The SIPRI values are therefore only an indicator of the volume of international arms transfers and not of the actual financial values of such transfers. Thus they are not comparable to economic statistics such as gross domestic product or export/import figures.

Source: SIPRI arms transfers database.

Table 11.4 shows the volume of deliveries of major conventional weapons to the three main actors in the conflict and illustrates the arms recipient–supplier relationships. Although Turkey and to a lesser extent Greece have built up arms industries they are still mainly dependent on imports and take third and sixth positions respectively in 1994–98 in the table of major arms recipients (see table 11.3). As both have major arms procurement programmes, it is likely that they will remain among the leading recipients for some years.²⁴

The two rivals acquire their weapons from the same suppliers—mainly the USA and other NATO countries. These countries supply arms for commercial reasons and as a NATO aid commitment in the form of large numbers of surplus weapons. The tense relations between the two recipients are rarely taken into account. Russia has entered the market for what seem mainly to be commercial reasons.

In the case of Turkey arms transfers are used as an instrument of foreign policy by both suppliers and recipients. A number of suppliers have enforced long- and short-term arms embargoes on Turkey, partially or completely halting arms deals in reaction to Turkish actions in the war against Kurdish rebel groups. Recent examples are related to an ongoing Turkish procurement com-

²⁴ See appendix 11B for details on orders and deliveries. Enginsoy, U., ‘Turkish budget anticipates arms-buying program’, *Defense News*, 26 Oct.–1 Nov. 1998, p. 32; and ‘Greek arms deals in the pipeline’, *Jane’s International Defense Review*, Nov. 1998, p. 10.

petition for combat helicopters. The US State Department granted licences to US companies to market their entries in the contest under the clear stipulation that Turkey would have to improve its human rights record before an actual sale could take place. Furthermore, in late 1998 the German Government blocked the display in Turkey of the French–German entry to the competition.²⁵

Turkey in turn has tried to use its position as a potential customer to coerce supplier states to change their attitude to Turkey. In early 1998 arms negotiations with France came to a temporary standstill after the French National Assembly recognized the killing of 1.5 million Armenians in Turkey during World War I as genocide.²⁶ Although Turkey was reported to have announced in mid-1998 that its arms procurement policy would in future be shaped more by military than by foreign policy considerations, in November Italian firms were suspended from the competition for large Turkish weapon orders as a reaction to Italy's refusal to extradite the leader of the Kurdish Workers' Party (PKK).²⁷

Despite the erratic relationships with arms suppliers, embargoes on both the supplier and recipient side have always been short-lived and deliveries of arms have not been much affected. Probably because of its difficult relations with suppliers, Turkey has diversified its sources of arms supply in recent years. It significantly developed its relations with Israel in 1996 through a major order for arms, and in 1993–96 it received weapon deliveries from Russia, which is now competing for major new orders.²⁸

Greece has enjoyed a more stable relationship with its arms suppliers. Nevertheless, in 1998 Greece diversified its sources of arms supply beyond the NATO countries when it received Russian air defence systems.

Despite its conflict with Turkey and the Turkish occupation of northern Cyprus since 1974, Cyprus did not embark on a serious armament programme until the mid-1980s. Even then its land forces received only small supplies of arms while its air force and navy remain very small. Greece has supplied some weapons but its main contribution to the Cypriot defence is a defence pact, according to which Greece will provide military support in case of crisis.²⁹ The most important supplier in 1985–94 was France, which supplied, *inter alia*, tanks and a missile coastal defence system. Since 1995 the leading supplier has been Russia, which has delivered advanced T-80U tanks and armoured vehicles.

Although these arms transfers to Cyprus have been an issue of concern to Turkey, it was the Cypriot order for one SA-10d/S-300PMU-1 surface-to-air

²⁵ 'Tiger order delayed, pulled out from Turkey', *Air Letter*, 23 Dec. 1998, p. 4; and 'Turkey keeps option open in attack copter contest', *Defense News*, 7–13 Sep. 1998.

²⁶ Jack, A., 'French arms deals threatened', *Financial Times*, 11 June 1998, p. 6.

²⁷ Enginsoy, U., 'Turkey freezes deals with Italy in Kurdish protest', *Defense News*, 23–29 Nov. 1998, p. 6.

²⁸ SIPRI arms transfers database; and 'The Turkish–Israeli affair', *The Economist*, 19 Sep. 1998, pp. 55–56.

²⁹ Boyne, S., 'Moves to settle the Cypriot problem', *Jane's Intelligence Review*, vol. 7, no. 9 (Sep. 1995), pp. 403–406.

missile (SAM) system from Russia in January 1997 that caused a crisis in their relations. The SA-10 is a modern long-range air defence system that can intercept aircraft at a range of up to 150 km.³⁰ Its procurement would mean a major leap in capability as Cyprus' air defence at present is very limited. Besides being a reaction to the regular overflights by Turkish fighter aircraft in Cypriot airspace, the motive for the procurement of the SA-10 was to protect the Paphos airfield, which was constructed to enable Greek aircraft to operate from Cyprus.³¹ Cyprus also hoped to use the order as a diplomatic tool to attract international attention and to break the deadlock in reunification talks.

Turkey reacted to the order for the SA-10 with outrage, claiming that, with its long range, the system is offensive and threatens the airspace of Turkey and northern Cyprus.³² However, it is very unlikely that Cyprus would want to target aircraft in Turkish airspace as such long-distance engagements would carry the considerable risk of hitting wrongly identified aircraft, such as non-Turkish or civilian aircraft. Turkey's anger is better explained by threat perceptions of encirclement by Greece and a fear of losing military supremacy in the region, especially since the opening of the Paphos airbase on Cyprus. It appears to have been fuelled by domestic political considerations: a tough stance against Cyprus finds favour with widespread pro-Turkish Cypriot sentiments.³³

Turkey repeatedly stated that it would do everything in its power to prevent the delivery and it refused to accept anything less than cancellation of the order.³⁴ It threatened to attack the SA-10 if it were deployed and in 1998 it searched two ships passing the Bosphorus strait for SA-10 components.³⁵ It also made it clear to Russia that Russian arms producers would be ruled out as potential suppliers for planned large arms orders if the delivery to Cyprus went ahead.³⁶

On the whole, Turkey's threat was taken seriously and few countries were prepared to support Cyprus in this matter. Arguing that the deal would be destabilizing, the USA, EU member states and UN Secretary-General Kofi Annan criticized the Cypriot move, pressured Cyprus not to proceed with the deployment and tried to find diplomatic solutions to the problem.³⁷ The USA also tried to convince Russia that delivery was irresponsible.³⁸

³⁰ Here the NATO designation SA-10 is used although the system is often referred to by its Russian designation S-300. Cullen, T. and Foss, C. F. (eds), *Jane's Land-Based Air Defence 1997-98* (Jane's Information Group: Coulsdon, 1997), p. 137.

³¹ 'Cyprus: Mikhailidhis says missiles only "deterrent"', Cyprus News Agency (Nicosia), 6 Jan. 1997, in Foreign Broadcast Information Service, *Daily Report-West Europe (FBIS-WEU)*, FBIS-WEU-97-004; and 'Cyprus orders S-300', *Military Technology*, Feb. 1997, p. 56.

³² 'Greeks feel Turkish ire over Cyprus arms', *Financial Times*, 12 Jan. 1997, p. 2.

³³ Nuttal, C., 'Turks pose new threats over Cyprus', *The Guardian*, 11 Jan. 1997.

³⁴ 'Turkey urges Cyprus to abandon missile order', *Air Letter*, 18 Sep. 1998, p. 5.

³⁵ 'Turkey threatens Cyprus attack', *Financial Times*, 10 Jan. 1997, p. 2; and 'Turks powerless to stop missile shipments', *Air Letter*, 23 Sep. 1998, p. 5.

³⁶ 'Turkey flexes purchasing muscle to halt S-300 delivery to Cyprus', *Defense News*, 4-10 May 1998, p. 24.

³⁷ 'Cyprus missile contract', Press statement by Nicholas Burns, US Department of State Office of the spokesman press statement, 6 Jan. 1997, URL <<http://secretary.state.gov/www/briefings/statements/>

Russia was unwilling to accept interference by the USA and the EU in what it considered a legitimate commercial deal.³⁹ Russia's position seemed mainly to be based on commercial considerations and a wish to show defiance to Western pressure. In October the Russian State Duma issued a statement proclaiming that objections to the SA-10 deployment were a 'propaganda campaign' aimed at undermining Russian arms exports.⁴⁰ While, on the one hand, Russia expressed a willingness to cancel the order if Cyprus' demands for headway in the flagging peace process were met, it was also reported that, if Cyprus were to postpone the delivery of the SA-10, it would be charged storage costs.⁴¹ Russia's position towards Turkey was ambiguous. On the one hand it stuck to the deal and even offered to protect the SA-10 delivery against a possible Turkish attack by using Russian Navy ships for transport, but on the other hand some officials in Russia said they would consider a cancellation of the order if Turkey were to grant part of its major planned arms procurement orders to Russia.⁴²

Initially Greece backed the Cypriot order and made it clear that Turkish military action against the SA-10 would be considered a cause for war, underlining its support by using the Paphos airbase in an exercise with fighter aircraft.⁴³ From mid-1998, however, anxious to avoid hostilities and in response to pressure from the USA and the EU, Greece softened its position and tried first to persuade Cyprus to change its order to a short-range air defence system and, in late 1998, to agree to place the SA-10 on Crete.⁴⁴

In December, after having delayed delivery twice in 1998, Cyprus finally accepted the Greek offer to place the SA-10 on Crete.⁴⁵ However, a final solution was not reached since Turkey remained opposed to delivery in any form to any place.⁴⁶

970106/htm>; 'Turkey flexes purchasing muscle to halt S-300 delivery to Cyprus', *Defense News*, 4–10 May 1998, p. 24; and 'Annan hopes Cyprus will not deploy S-300s', *Air Letter*, 12 May 1998, p. 5.

³⁸ 'Russia to press ahead on Cyprus missiles', *International Herald Tribune*, 29 Apr. 1998, p. 1; and Regular report from the Commission on progress towards accession: Cyprus, 4 Nov. 1998, URL <http://www.europa.eu.int/comm/dg1a/enlarge/report_11_98_en/cyprus/120.htm>.

³⁹ 'Cyprus: Russian ambassador criticizes US stand on S-300', Cyprus News Agency (Nicosia), 4 Dec. 1998, in FBIS-WEU-98-338.

⁴⁰ 'Russia: Duma supports Russian cooperation with Cyprus', Interfax (Moscow), 16 Oct. 1998, in Foreign Broadcast Information Service, *Daily Report—Central Eurasia (FBIS-SOV)*, FBIS-SOV-98-289.

⁴¹ 'Russia: spokesman clarifies comments on Cyprus missile deal', ITAR-TASS, 3 July 1998, in FBIS-SOV-98-184; and 'Missile delay to cost USD 1 mln per month, MP', *New Europe*, 8–14 Nov. 1998, p. 29.

⁴² 'Russian battle group to deliver S-300s to Cyprus', *Jane's Defence Weekly*, 22 July 1998, p. 4; 'Turkey: diplomat: Russia will stop missile delivery if it wins bid', *Anatolia (Ankara)*, 13 June 1998, in Foreign Broadcast Information Service, *Daily Report—Arms Control (FBIS-TAC)*, FBIS-TAC-98-164. Both in the UK and USA hidden Russian motives were suspected. One suspicion was that with the SA10 deal Russia was trying to add to the strains between NATO allies Greece and Turkey. Gordon, R., 'Russia to press ahead on Cyprus missiles', *International Herald Tribune*, 29 Apr. 1998, p. 1.

⁴³ 'Greece backs Cypriot missile plan', *Air Letter*, 8 Sep. 1998, p. 5; and 'Turkey, Greece edge closer to Cyprus clash', *Defense News*, 22–28 June 1998, p. 3.

⁴⁴ 'Athens loses taste for Cypriot missile row', *The Guardian*, 3 Aug. 1998, p. 7; and 'Greece seeks to pull Cyprus out of S-300 missile question', *New Europe*, 29 Nov.–5 Dec. 1998, p. 28.

⁴⁵ Fitchett, J., 'Deployment of missiles is scrapped by Cyprus', *International Herald Tribune*, 30 Dec. 1998, p. 1.

⁴⁶ Press conference by Foreign Minister Ismail Cem on the S-300s issue, Turkish Ministry of Foreign Affairs, 30 Dec. 1998, URL <<http://mfa.gov.tr/default.asp?param=/GRUPH/release/1998/320.htm>>.

The Cypriot Government had to balance its military and foreign policies and national political considerations. Cypriot President Glafkos Clerides stated repeatedly that the deployment of the SA-10 would be suspended if progress were made in the Cyprus dispute resulting in an eventual demilitarization of the island.⁴⁷ These hopes to use the SA-10 deal as a diplomatic lever proved a misjudgement and in the end international pressure caused Cyprus to step back. One of the main reasons for this was the negative impact of the purchase on Cypriot negotiations for accession to the EU. The decision not to deploy the SA-10 entailed great political risks for both the Cypriot and the Greek governments as the general mood in both countries was that the order was legitimate and non-deployment meant losing to Turkey. Cypriot ministers resigned in reaction to the decision not to deploy the SA-10 on Cyprus and in a heated national debate President Clerides was strongly criticized.⁴⁸

While intervention by the USA and EU states helped to prevent the SA-10 crisis from escalating into an armed conflict it is not surprising that the general feeling in Cyprus is that the solution was unjust. The USA and the EU showed little willingness to depart from commercial interests and deep-rooted alliance thinking in order to reach a solution. The logic of defining the Cypriot order for an air defence system as destabilizing—which it became as a result of Turkish reactions—is undermined by deliveries of large quantities of more offensive weapons to the other actors in the conflict.

IV. International embargoes on arms transfers

In 1998 the total number of countries under international arms embargoes was 20. Table 11.5 lists all the countries subject to partial or complete embargo on arms transfers, military services or other military-related transfers at any time during 1994–98.

The UN arms embargo on Sierra Leone, which was first implemented in October 1997 after a coup by the military and former rebels displaced President Ahmed Tejan Kabbah, was lifted on 5 June 1998 after foreign intervention had restored Kabbah to power. However, the ousted junta remained a major threat, so in the same resolution a new embargo directed only against the rebel junta forces was imposed.⁴⁹

Between 1991 and 1996, as part of the efforts to contain and solve the conflicts related to the break-up of Yugoslavia in 1991 and 1992, a UN arms embargo was imposed on the entire region of the former Yugoslavia. On

⁴⁷ 'Cyprus not yet committed to delaying S-300 deployment', *New Europe*, 30 Aug.–5 Sep. 1998, p. 29; and Kambas, M., 'Cyprus denies scrapping missile delivery plans', *New Europe*, 13–19 Dec. 1998, p. 29.

⁴⁸ 'Cyprus ministers quit over cancelled missiles', *Financial Times*, 5 Jan. 1999, p. 3; and 'Cyprus missiles decision under attack', *Financial Times*, 13 Dec. 1998, p. 2.

⁴⁹ UN Security Council Resolution 1171, 5 June 1998.

Table 11.5. International arms embargoes in effect, 1994–98

Target	Entry into force	Lifted	Legal basis	Organization
Afghanistan ^a	22 Oct. 1996	–	UNSCR 1076	UN
Afghanistan ^{a,b}	17 Dec. 1996	–	–	EU
Angola (UNITA)	15 Sep. 1993	–	UNSCR 864	UN
Armenia ^c	28 Feb. 1992	–	–	OSCE
Azerbaijan ^c	28 Feb. 1992	–	–	OSCE
Bosnia and Herzegovina	1991	–	–	EU
Burundi	Aug. 1996	–	–	Neighbours ^d
China	27 June 1989	–	–	EU
Croatia	1991	–	–	EU
Haiti	30 Sep. 1991	15 Oct. 1994	–	OAS
Haiti ^e	13 Oct. 1993	15 Oct. 1994	UNSCR 841	UN
Iraq	6 Aug. 1990	–	UNSCR 661	UN
Iraq	4 Aug. 1990	–	–	EU
Liberia ^f	19 Nov. 1992	–	UNSCR 788	UN
Libya	27 Jan. 1986	–	–	EU
Libya	31 Mar. 1992	–	UNSCR 748	UN
Myanmar ^b	29 July 1991 ^g	–	–	EU
Nigeria	24 Apr. 1996	?	–	Commonwealth
Nigeria ^b	20 Nov. 1995	–	–	EU
Rwanda	17 May 1994	16 Aug. 1995 ^h	UNSCR 918	UN
Rwanda (rebels) ⁱ	16 Aug. 1998	–	UNSCR 1011	UN
Sierra Leone	8 Oct. 1997	5 June 1998	UNSCR 1132	UN
Sierra Leone (rebels) ^j	5 June 1998	–	UNSCR 1171	UN
Sierra Leone	8 Dec. 1997	–	–	EU
Slovenia	1991	10 Aug. 1998	–	EU
Somalia	23 Jan. 1992	–	UNSCR 733	UN
South Africa ^k	Nov. 1977	24 May 1994	UNSCR 418	UN
Sudan ^b	15 Mar. 1994	–	–	EU
Yugoslavia	25 Sep. 1991	1 Oct. 1996	UNSCR 713	UN
Yugoslavia (S & M)	31 Mar. 1998	–	UNSCR 1160	UN
Yugoslavia	1991	–	–	EU
Zaire/Congo, Dem Rep ^b	7 Apr. 1993	–	–	EU

^a Voluntary (non-mandatory) embargo.

^b Does not apply to deliveries under existing contracts.

^c Embargo on deliveries to forces engaged in combat in the Nagorno-Karabakh area.

^d Congo (Dem. Rep. of), Ethiopia, Kenya, Rwanda, Tanzania and Uganda.

^e Originally imposed in June 1993, but temporarily suspended until Oct. 1993.

^f Does not apply to deliveries to ECOMOG forces in Liberia.

^g A 'decision to refuse the sale of any military equipment' was made by the EU General Affairs Council on 29 July 1991. On 28 Oct. a decision confirming the embargo (96/635/CFSP) was made by the EU Council of Ministers for Foreign Affairs.

^h The arms embargo was suspended on this date and formally ended on 1 Sep. 1996.

ⁱ Does not apply to deliveries to government forces in Rwanda. Embargo on equipment for persons in neighbouring states if the equipment is for use in Rwanda.

^j Does not apply to deliveries to government or ECOMOG forces in Sierra Leone.

^k A voluntary arms embargo commenced in Aug. 1963 UN (UNSCR 181) and a voluntary embargo on arms imports from South Africa in Dec. 1985 (UNSCR 558).

Sources: SIPRI arms transfers archives.

31 March 1998 the UN imposed a mandatory arms embargo on Yugoslavia (Serbia and Montenegro) as a result of Serb actions in Kosovo.⁵⁰ While EU embargoes on other successor states to the former Yugoslavia have continued to remain in force since 1991, the embargo on Slovenia was lifted in August 1998 because of improved stability.

Although embargoes are undeniably a strong political signal of disfavour, their effectiveness is questionable. While many embargoes have been enforced on states engaged in internal wars, they do not seem to have had much influence on the level of violence or to have led to an end to the fighting.⁵¹

Enforcement has been another problem. In practically all cases of embargo, including mandatory UN embargoes, reports have emerged of illegal arms transfers. While these reports are often difficult to verify, more direct and circumstantial evidence of breaches of embargoes emerged during 1998, including new information about possible deliveries of weapons and other military equipment to South Africa during the UN embargo of 1977–94.⁵² Some of the evidence is circumstantial in that the number of certain types of equipment (combat aircraft, helicopters) that have been acknowledged to be in service today is much higher than the number of such equipment known to have been transferred before the embargo was imposed.⁵³ Other evidence is more direct, including statements from former South African officials that South Africa received French deliveries of helicopters in kit form in the 1980s.⁵⁴

Fresh evidence also emerged of some large-scale breaches of the UN embargoes on Yugoslavia and its successor states.⁵⁵ Direct evidence came in the case of Croatia where there has even been official acknowledgement of the transfer of Mi-24 combat helicopters, even though the official version claims these were ‘ambulance helicopters’.⁵⁶ In 1991–95, 6500 tons of weapons and ammunition were delivered from Argentina to Croatia. The ongoing investigation of this case in Argentina reads like a classic spy story and has revealed

⁵⁰ UN Security Council Resolution 1160, 31 Mar. 1998. See also chapter 2 in this volume.

⁵¹ Anthony, I. *et al.*, ‘Arms production and arms trade’, *SIPRI Yearbook 1994* (Oxford University Press: Oxford, 1994), pp. 493–502.

⁵² South Africa was under embargo for decades, but still managed to maintain the most powerful and best equipped armed forces in Sub-Saharan Africa, even emerging from the embargo era with a highly advanced military industry. For a discussion of the embargo and the ways in which South Africa dealt with it, see Landgren, S., SIPRI, *Embargo Disimplemented* (Oxford University Press: Oxford, 1989); and Bachelor, P. and Willett, S., SIPRI, *Disarmament and Defence Industrial Adjustment in South Africa* (Oxford University Press: Oxford, 1998).

⁵³ The number of Cheetah combat aircraft acknowledged to have been produced is 69. The Cheetah is an upgrade of existing Mirage-3 aircraft, but the number of such aircraft known to have been delivered in the 1960s and 1970s is no more than 58. Several reports have implicated Israel as supplier of their Mirage-5 derivative, the Kfir. Carroll, I., *World Air Forces Directory 1998–99* (Mach III Plus: Stevenage, 1998), p. 156.

⁵⁴ ‘Former S. African minister enters helicopter row’, Reuters, 24 Apr. 1998.

⁵⁵ For an overview of reports on breaches of the embargo since 1991, see Berghezan, G., *Ex-Yugoslavie: L’embargo sur les armes et le réarmement actuel* [Ex-Yugoslavia: the arms embargo and current rearmament] (GRIP: Brussels, 1997).

⁵⁶ ‘Croatia quietly builds air force despite embargo’, *World Aerospace & Defense Intelligence*, 3 Mar. 1995, p. 6; and ‘Croatie, une force aérienne sous contrôle’ [Croatia, an air force under control], *Air & Cosmos/Aviation International*, 12 May 1995, p. 32.

some of the ways in which such 'impossible' transfers are made possible.⁵⁷ The effectiveness of the NATO/Western European Union sea blockade in enforcing the UN embargo will clearly be questioned if the weapons and ammunition have actually reached Croatia.

In a very different case the UK allowed weapons to be transferred to Sierra Leone just days after the UN Security Council had agreed on an arms embargo. One official British line of argument was that while the UN embargo was agreed upon British legislation for its implementation was not yet in force. Another claimed that information that the British company Sandline International planned to transfer weapons to Sierra Leone's ousted president had failed to reach the Minister of Foreign Affairs after mistakes in the processing of the information.⁵⁸

V. The EU Code of Conduct

On 25 May 1998 the EU members adopted a common Code of Conduct for Arms Exports outlining general principles and guidelines for future exports of military equipment.⁵⁹ Together with the French Government the UK, which took over presidency of the EU for six months in January 1998, produced a first draft for discussion within the Council of Ministers' Group for Cooperation in the Field of Armaments and the Harmonisation of European Export Policies (COARM) in February 1998. The early cooperation with France was clearly calculated to minimize possible French opposition. In recent years France has proved to be opposed to any European coordination of conventional arms export controls that could 'force' it to give up some of its, by European standards, liberal arms export policies.

Between February and May 1998 four drafts were discussed. Leaked copies of the first draft drew heavy fire from non-governmental organizations (NGOs) since some of the proposed criteria and the preamble suggested that the code would contain even weaker constraints than the EU Common Criteria for arms exports from 1991 and 1992.⁶⁰ The discussions of the drafts revealed deep divisions among EU members about the weight of such a document. Agreement proved impossible at the civil servant level, largely because France

⁵⁷ 'Arms and the men', *The Economist*, 12 Sep. 1998, p. 60; 'Illegal arms sales test for Menem', *The Independent*, 27 Oct. 1998, p. 15; 'US denies knew of Argentine arms sales to Croatia', Reuters, 7 Oct. 1998; and 'Argentina's Menem backs ministers in arms scandal', Reuters, 9 Sep. 1998.

⁵⁸ 'British ministers cleared in arms-to-Africa affair', Reuters, 27 July 1998.

⁵⁹ The complete text is included as appendix 11D in this volume. In early Aug. 1998 Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Iceland, Latvia, Lithuania, Norway, Poland, Romania, Slovakia and Slovenia also committed themselves to follow the EU Code of Conduct. *Arms Trade News*, Aug./Sep. 1998, p. 3. See also appendix 11E, section III in this volume.

⁶⁰ Clegg, E. and McKenzie, A., 'Developing a common approach? The EU Code of Conduct on Arms Exports', *Bulletin of Arms Control*, no. 32 (Dec. 1998), p. 23. For the text of the EU Common Criteria see URL <http://www.sipri.se/projects/expcon/eu_criteria.htm>. See also *SIPRI Yearbook 1992: World Armaments and Disarmament* (Oxford University Press: Oxford, 1992), pp. 295–97 and *SIPRI Yearbook 1993: World Armaments and Disarmament* (Oxford University Press: Oxford, 1993), pp. 461–62 for a discussion of these criteria.

refused to accept a restrictive code. The final text was decided at a meeting of the European foreign ministers in Brussels on 25 May 1998.

Although the final version of the code is not much more than a restatement of the Common Criteria agreed upon in 1991 and 1992, there are a couple of distinctions. The most obvious is that the code asks EU members to notify each other of refusals to export. A second distinction is that it is clearly intended as a first step in a process towards the creation of common export regulations. In addition to eight criteria for arms exports, there are several 'operative provisions' for further development of the code. The most important of these is that all EU members will provide an annual report on their arms exports and on the national implementation of the code. These reports will be discussed at an annual meeting within the framework of the EU Common Foreign and Security Policy (CFSP). During these meetings the development of the code will also be on the agenda, thereby creating an institutionalized process of review and discussion instead of ad hoc initiatives. The code also specifically mentions the need for a 'common list of military equipment' to which it would apply.

However, as it stands now the code is no more than a first small step towards what should result in common EU arms export legislation, or at least an alignment of the national legislations and policies of the member states. Since it was adopted as a Council Declaration, the code is merely a political not a legally binding document. Furthermore, most of the criteria and operative provisions are, as in the earlier Common Criteria, worded in such a vague way that they are open to almost any interpretation by national governments, which in the end still have absolute control over their export policies.

While a number of gaps are directly addressed in the operative provisions, other problems will have to be negotiated at the annual meetings or elsewhere. The issue of what to do if one EU country wants to grant an export licence to a country for which another EU country has already refused permission has been one of the most contentious areas of negotiation and remains unresolved. The code also fails to address the problem of 'after-delivery controls' through the verification of end-user certificates and controls of the actual use of delivered equipment or the issue of licences for production of equipment developed in an EU state but produced elsewhere.

Transparency

Since a number of governments of EU member states seem to embrace the view of transparency as necessary for developing a responsible arms export policy it is disappointing that there are no provisions for parliamentary oversight or public scrutiny in the Code of Conduct. The code mentions neither public reports nor the need to develop common standards for annual reports on arms exports. The only explicit mention of transparency is a general statement that, with a view to achieving greater transparency, the exchange of relevant information between EU members should be strengthened.

During the drafting of the code a number of NGOs called for greater transparency and accountability. They also recommended that member states should report annually to their national parliaments all arms exports denied or granted, and provide parliament or a parliamentary committee in advance with a list of all sensitive export licences applied for, including information about cases in which similar licence applications have been denied by other member states.⁶¹ Although, in an early draft of the code, the British Government proposed the inclusion of references to public accountability this was opposed mainly by France, which blocked the inclusion of a provision on annual publication by all EU countries of full and detailed reports on arms exports.⁶²

Outside the code's framework, the existing national reports of EU member states give only limited possibilities to assess the implementation of the code at a national level. The most common form of reports on arms exports among EU states—reporting their monetary value—is mainly useful for assessments of the economic aspects of arms exports, and only to a very limited extent for assessment of military aspects. The code, on the other hand, mainly focuses on military implications of exports, either directly for the use of weapons in aggression or human rights violations or for the behaviour of recipients and the possibility of punishing recipients by not supplying arms.⁶³ The economic value of military equipment gives no real indication of the relevance of the equipment for human rights violations, internal repression, provoking or prolonging armed conflicts or external aggression. The export of an expensive radar network may have a much less negative impact than the export of a batch of cheap armoured vehicles or rifles. Especially in cases where the equipment is second-hand or is exported to a less developed region, the monetary value is no real indication of its military value in the local context.

The available public reports on arms exports from EU member states include cases of exports to countries which do not seem to fulfil all the criteria of the Code of Conduct.⁶⁴ However, the current data do not reveal whether the equipment in question is intended for purposes which conflict with the criteria or whether it is considered to be of strategic value but not specifically for military use. The categories given in the existing reports are mostly of a generic type such as 'aerospace' or 'explosives' and do not distinguish between separate items. 'Aerospace' can include anything from combat aircraft to transport aircraft with civil applications. For example, while deliveries of combat aircraft might be considered destabilizing to regional security, the delivery of

⁶¹ Clegg, L., 'Proposals for an effective EU Code of Conduct on the Arms Trade', Saferworld, in consultation with Amnesty International, BASIC and Oxfam, 1998.

⁶² 'French threat to European arms sales code', *The Independent*, 25 May 1998, p. 8; and 'Cook's code on arms sales faces unfriendly fire', *The Independent*, 30 Apr. 1998, p. 10.

⁶³ One criterion of the 8 mentions economic aspects and stresses the need to take into account relative levels of military and social expenditure of the recipient countries in arms export decisions.

⁶⁴ For example, in its 1997 annual report on arms exports Sweden reported values for deliveries to Pakistan and India—countries in conflict—and to Indonesia, which has a questionable human rights record. In the same year the Netherlands reported values for deliveries to Algeria which is involved in internal conflict and to China which is under an EU arms embargo.

similarly valued transport aircraft might be essential in providing transport of civilian necessities to remote regions.

VI. National and international transparency in arms transfers

Official national data on arms exports

Government statistics on the value of arms exports are presented in table 11.6. SIPRI records and disseminates official data on the value of arms exports for four reasons: (a) to make such information more accessible; (b) to highlight the lack of complete government data; (c) to underline the fact that data from different countries are only comparable to a limited extent; and (d) as the statistics present real values (in contrast to the SIPRI trend-indicator values), to provide a rough indication of the financial scale of arms exports.

The data are from official national documents, official statements or official replies to SIPRI's requests for information. Using the SIPRI estimates of deliveries of major conventional weapons as a baseline, the countries providing statistics together accounted for an estimated 98 per cent of total arms exports in 1998.

Readers are cautioned in using these data in analysis. The table is not comprehensive and there are other countries, such as China and Israel, whose exports would be larger than those of some countries listed in the table. Furthermore, arms export definitions are not consistent from country to country, and not all countries explain their export statistics fully.⁶⁵

The problem of inconsistency is illustrated in Spain, where the value given by the Ministry of the Economy differs radically from a three-year average provided by the Ministry of Defence, which is more than five times higher.⁶⁶ An analysis of the Italian arms exports report has led to the conclusion that the Italian data for 1997 were miscalculated and should probably be 1487 billion lire instead of 2165 billion lire, although this has not yet been officially confirmed.⁶⁷

In 1998 confusion and political problems in Russia led once more to seemingly conflicting claims. Yevgeniy Ananyev, director of the Russian arms export organization Rosvooruzheniye, denied claims by his predecessor that Russia had earned \$3.5 billion from arms sales in 1996. Ananyev said that the figure was just over \$2 billion and that the remaining arms had been sent abroad to pay off debts. He, in turn, was accused by the Russian General Control Department (GKU) of overestimating expected arms sales figures for

⁶⁵ For a more detailed assessment of official arms export data, see *SIPRI Yearbook 1998* (note 6), pp. 306–11.

⁶⁶ The Spanish Ministry of Defence gives Ptas 82 810 million as an average for the period 1993–95 while the report to the parliament by the Ministry of Economics gives an average of Ptas 14 582 million. Spanish Ministry of Defence, Secretaria de Estado de la Defensa, Direccion General de Armamento y Material, *La Industria Espanola de Defensa, 1996* [The Spanish defence industry, 1996], p. 9.

⁶⁷ *Rapporto informativo dell'osservatorio sul commercio delle armi e sull'applicazione della legge 185/90*, OSCAR report 15 (IRES: Florence, May/June 1998), p. 2.

1998. While Ananyev estimated sales of \$2–3 billion, the GKU expected the figure to fall to well below \$2 billion.⁶⁸

This year for the first time official data on arms exports were received from Slovenia. There are also data on aggregated arms exports from India and Taiwan and on French, Italian, Swedish and British export orders (as opposed to deliveries) which have not previously been reported in the SIPRI Yearbook.

Developments in national transparency in 1998

Effective parliamentary oversight of arms exports is rare and the countries which regularly make available detailed information on their overall arms exports remain the exception rather than the rule. In recent years, however, the issue of arms export transparency has received increased attention, which has led to improved reporting in a number of countries.⁶⁹

Although table 11.6 only includes aggregate arms export data, some of the contributing countries publish more comprehensive reports that show the value of military equipment exported to individual countries. In 1998 Australia, Canada, Finland, Italy, the Netherlands, Spain, Sweden, Switzerland and the USA published such reports. Germany plans to follow their example in the near future and the UK submitted its report in early 1999 (see below). Transparency has also improved through the increased availability of arms export reports on the Internet.⁷⁰

The Netherlands Government published its first comprehensive report on arms transfers in the autumn of 1998, including values for arms export licences by country and by category. Instead of specifying values of delivered military equipment, as was originally intended, the report includes the values of licences granted, which were considered more useful to parliamentarians since they give an insight into planned deliveries rather than information after the fact.⁷¹ Unlike the Swedish and Italian governments, the Netherlands Government did not publish both data on licences and actual deliveries.

The Spanish Government's first annual report to parliament on arms exports was published in February 1998 for the period 1991–96, and it was followed in July by a report on 1997 deliveries of defence *matériel*.

The British Government published its first annual report on arms exports in March 1999.⁷² The report is relatively complete with details of licences

⁶⁸ For a discussion of reports on the value of Russian arms exports, see Anthony, I., 'Economic dimensions of Soviet and Russian arms exports', ed. I. Anthony, SIPRI, *Russia and the Arms Trade* (Oxford University Press: Oxford, 1998), p. 72; Perera, J., 'Rosvooruzheniye exposed', *Jane's Intelligence Review Pointer*, Nov. 1998, p. 4; and Novichkov (note 5).

⁶⁹ See, e.g., Carlman, Å., *Arms Trade from the EU: Secrecy vs Transparency* (Svenska freds- och skiljedomsföreningen: Stockholm, 1998).

⁷⁰ SIPRI collects hyperlinks to websites containing official arms export data at URL <<http://www.sipri.se/projects/armstrade/atlinks.html>>.

⁷¹ Netherlands Ministry of Economic Affairs, *Jaarrapport Nederlands wapenexportbeleid 1997* [The Netherlands' arms export policy in 1997], Tweede Kamer, Kamerstuk 22054, nr. 39, Oct. 1998.

⁷² British Foreign and Commonwealth Office, 'Annual report on arms exports', 25 Mar. 1999, URL <http://www.fco.gov.uk/text_only/newstext.asp?2163>.

3 pages for table 11.6

granted and total values of arms exports per recipient. The report was planned for publication in 1998 but was delayed owing to difficulties in compiling one set of data derived from the available but inconsistent data from the Department of Trade and Industry (DTI), the Ministry of Defence (MOD) Defence Export Services Organization (DESO) and Customs and Excise. Furthermore, while the publication of a more specific account of equipment covered by licences granted was acceptable to all parties, the British Government's desire to publish details of actual exports met with resistance. The attempts of the Foreign Office to achieve greater transparency were reportedly blocked by the DTI and the MOD, which were concerned that more openness would harm companies' competitiveness and that it would make their own work more cumbersome.⁷³

In the coalition treaty between the parties that formed the new German Government in October 1998 it was announced that an annual arms export report would be submitted to parliament.⁷⁴ The new government also announced that it was working towards the inclusion in the European Code of Conduct of a demand for transparency from possible recipient countries. This would probably require the recipient countries to report their imports to the UNROCA.

In 1998 the US Government once again published a 'Section 655' report, containing much greater detail on the quantities and types of weapons exported than reports from any other country.⁷⁵

The UN Register of Conventional Arms

On 2 September 1998 the UN Secretary-General released the sixth annual report of information received from governments on their arms imports and/or exports for calendar year 1997.⁷⁶ By that time, 91 countries, and the Cook Islands and Niue, had responded in some way to the request for information.⁷⁷ As of 21 March 1999, this number had increased to 97 countries.⁷⁸

Since the previous report, released in August 1997, a number of changes have been introduced. The 'deadline' for reporting has been moved from

⁷³ *Arms Trade Bulletin* (Saferworld, London), no. 10 (5 Nov. 1998); and Nicoll, A., 'Accounting for arms exports delayed', *Financial Times*, 12 Nov. 1998, p. 10.

⁷⁴ SPD, *Der Koalitionsvertrag, Aufbruch und Erneuerung Deutschlands Weg ins 21. Jahrhundert* [The coalition treaty, departure and renewal as Germany enters the 21st century], Bonn, 20 Oct. 1998, URL <<http://www.spd.de/politik/koalition/uebers.html>>.

⁷⁵ US Department of State and US Department of Defense, Foreign Military Assistance Act Report to Congress, *Authorized US Commercial Exports, Military Assistance and Foreign Military Sales and Military Imports, Fiscal Year 1997*, Washington, DC, Sep. 1998.

⁷⁶ UN document A/53/334, 2 Sep. 1998.

⁷⁷ This does not include the 18 countries and Palestine for which, as members of the Arab League, Saudi Arabia submitted a *note verbale* reiterating the sentiments of the Arab League's *note verbale* in 1997, which expressed support for the idea of the UNROCA but at the same time disagreed with the present structure. The Arab League members were therefore unwilling to provide the information requested. Reply by Saudi Arabia dated 17 June 1998, as included in UN document A/53/334, 2 Sep. 1998, pp. 109–10. See also the reply by Mauritania dated 2 Sep. 1997, as included in UN document A/52/312, 28 Aug. 1997, pp. 71–72. Only 3 Arab League members, Jordan, Libya and Qatar, reported on actual arms imports and/or exports.

⁷⁸ For a full list of participating countries and their reports see the official UN Register of Conventional Arms, URL <<http://domino.un.org/REGISTER.NSF>>.

30 April to 31 May as a reaction to the fact that very few countries managed to provide the requested data before 30 April.⁷⁹ Another significant change is the inclusion of data from a large number of governments on holdings of weapons and procurement from national production. Although several governments have provided such data in previous years, these were not reproduced in the actual UN report. Their inclusion must be seen as a step towards development of the UNROCA into a tool for identification of possibly destabilizing accumulations of weapons, as was the original goal of the register. As such it should cover not merely transfers of systems that could be destabilizing in an international context, but also all procurement of such systems.⁸⁰

Less successful was a request in a General Assembly resolution from December 1997 for countries to provide 'nil' reports on arms imports and/or exports if appropriate, rather than not replying at all as had seemed to be the practice in earlier years.⁸¹ Despite this call, the number of states that submitted reports did not increase significantly. The same resolution also stressed the possibility of giving information on, for example, the designation of the weapon in the 'Remarks' column of the standardized reporting form. The 1998 report is clearly an improvement on the five earlier reports, largely because the USA for the first time used the 'Remarks' column to give the designation of the weapons transferred. It hereby follows the example it set in providing such details in a substantive national report published for the first time in 1997.⁸² In earlier reports the USA only gave data on the recipient and the number of items delivered in each UNROCA category.⁸³ Since the USA is the biggest exporter and especially since many of the US reports on exports did not match the reports from the recipients, part of the basic goal of the UNROCA was not fulfilled. While this problem still exists, it is now easier to determine why these differences occur.

There was, however, one major disappointing development in 1998, namely that China, one of the leading exporters of weapons, refused to provide data to the UNROCA in protest against the inclusion of data on arms transfers to Taiwan.⁸⁴ In 1996 the USA, which in publicly available sources is identified, together with France, as the only supplier to Taiwan of weapons which fall into the categories of equipment which are to be registered, started to report its deliveries to Taiwan as a footnote to the standardized format of reporting.⁸⁵

⁷⁹ In 1997 only 33 countries reported before the deadline of 30 Apr. 1997. In 1998, 55 countries reported before the new deadline of 31 May 1998.

⁸⁰ UN General Assembly Resolution 46/36 L, 9 Dec. 1991.

⁸¹ UN General Assembly Resolution 52/38 R, 9 Dec. 1997.

⁸² US Department of State (note 75).

⁸³ The categories of equipment which are to be registered in the UNROCA are: battle tanks; armoured combat vehicles; large-calibre artillery systems; combat aircraft; attack helicopters; warships; and missiles and missile launchers.

⁸⁴ Taiwan is the only country not requested by the UN Secretary-General to provide data (despite requests for data from other non-members such as Switzerland and the Holy See).

⁸⁵ France, known to have delivered combat aircraft and warships in 1997, did not, however, include exports to Taiwan in its report to the UNROCA.

China protested from the start, and according to an official Chinese statement this finally 'forced' it not to participate from 1998.⁸⁶

The geographical pattern of participation in 1998 was similar to that of previous years. Participation is high among states that are members of international organizations in which confidence-building measures are an important point on the agenda. Nearly all Organization for Security and Cooperation in Europe (OSCE) participating states, and Organization of American States (OAS), Association of South-East Asian Nations (ASEAN) and ASEAN Regional Forum (ARF) members reported. On the other hand participation was again extremely low in the Middle East and Africa. One surprise was the participation of Jordan and Qatar, both of which for the first time submitted reports on arms imports, and apparently did not follow the line of the other Arab League states as outlined in a *note verbale* to the UN.⁸⁷ Israel was the only other Middle Eastern country that had responded by the time the Secretary-General's report was released. Iran, which has consistently submitted data after the annual report, had not submitted a return to the register by April 1999.

The number of countries reporting consistently to the UNROCA seems to have stabilized. Nearly all countries identified by SIPRI from open sources as exporters of weapons which fall into the UNROCA categories of equipment have reported since 1992. However, of the importers, many Middle Eastern countries have never reported despite having been identified in open sources and in UNROCA exporters' reports as major recipients. A few relatively small importers, mainly in Africa, have also never reported.

Discrepancies between the information submitted by exporting and importing states for their bilateral transfers in the same year are still common. The discrepancies make the data in the register difficult to interpret.⁸⁸ However, in 1998 there were far fewer cases of this kind than in earlier years, and some of the discrepancies are even noted in the respective exporter and importer submissions. While Argentina, for example, reports importing 36 A-4AR combat aircraft from the USA, the USA only reports exporting 13 A-4 and TA-4 combat aircraft but gives a possible explanation by noting that Argentinian and US definitions of 'transfer' differ. In other cases, such as the report by Belarus of delivery of 18 Su-25 combat aircraft to Peru, an explanation has to be found outside the UNROCA. These aircraft are not reported by Peru, possibly because Peru does not regard them as real deliveries since it does not yet operate them.

⁸⁶ Deen, T., 'China withdraws from register in protest', *Jane's Defence Weekly*, 18 Nov. 1998, p. 6.

⁸⁷ See note 77.

⁸⁸ The problem of discrepancies led some government experts to suggest the creation of a consultative mechanism whereby the UN Secretariat could question member states about the contents of their annual returns with a view to harmonizing the information presented by exporters and importers. However, there was no consensus to support this idea. See also Laurence, E. J., Wezeman, S. T. and Wulf, H., *Arms Watch: SIPRI Report on the First Year of the UN Register of Conventional Arms*, SIPRI Research Report no. 6 (Oxford University Press: Oxford, 1993).